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Agenda Item 3a

June 14, 2011

TO: MEMBERS OF THE BENEFITS AND PROGRAM ADMINISTRATION

- I. **SUBJECT:** Contract Reform Project
- II. **PROGRAM:** Operations Support Services Division
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

In January 2011, Operations Support Services Division (OSSD) partnered with the Investment Office (INVO), Legal Office (LEGO), and Information Technology Services Branch (ITSB) to begin a Contract Reform Project. The goal of the project was to transform the CalPERS contracting process, making it more nimble and responsive to customer and user needs while ensuring that legal and other control requirements were fulfilled.

The Project consisted of four working teams assigned to the following goals: 1) reduce complexity and standardize process; 2) address issues around delegation of authority and accountability; 3) educate users; and 4) implement an IT solution. The teams were given 100 days to implement the recommendations that came out of the January working session.

Below is a summary of the Project accomplishments:

- Established a small team approach with all Request for Proposals (RFPs)
- Established clearly defined roles and responsibilities documentation
- Standardized pool contract engagements used enterprise-wide
- Created a flow chart or "Decision Tree" of the contracting process
- Developed a monthly RFP/Contract status report
- Received approval to allow all contracts to have a five year term
- Streamlined the contract review and sign-off process
- Received approval from the General Counsel to sub-delegate contract term deviations to the Deputy General Counsel
- Designed a contract process overview and certification training
- Created a web-based tutorial and e-Notification system
- Procured and installed a new contracts database

These accomplishments will ultimately result in increased efficiency, timeliness, accountability, ownership, and knowledge of the CalPERS contracting process. This was an enormous undertaking by staff and thanks to all of the hard work and our Executive sponsorship, it was a success. Some of the accomplishments, such as the training sessions and the hand-population of current contracts into the new contracts database, will officially roll out this summer and will become on-going tasks.

V. STRATEGIC PLAN:

This item is not a specific part of the Strategic Plan, but is part of the regular and ongoing workload of the Operations Support Services Division.

VI. RESULTS/COSTS:

Not Applicable.

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Operations Support Services Division

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